

JUL 22 1987 -11 10 AM

ITEL

July 6, 1987

INTERSTATE COMMERCE COMMISSION

Itel Rail Corporation55 Francisco Street
San Francisco, California 94133
(415) 984-4000Hon. Noreta R. McGee
Secretary
Interstate Commerce Commission
Washington, DC 20423No. JUL 22 1987
Date 20.00
Fee \$

ICC Washington, D.C.

**Re: Rider D, dated July 1, 1987, to the Lease Agreement dated February 28, 1986,
between Itel Rail Corporation and Iowa Interstate Railroad, Ltd.**

Dear Ms. McGee:

On behalf of Itel Rail Corporation, the above instrument, in four (4) counterparts, is hereby submitted for filing and recording pursuant to 49 U.S.C. §11303(a), along with a check in the amount of \$20 covering the recordation fee.

Please record the above Rider under Master Lease No. 1100 dated February 28, 1986, between Itel Rail Corporation and Iowa Interstate Railroad, Ltd., which was filed with the ICC on April 7, 1986, and given Recordation No. 14935. Please cross-index this Amendment with the Equipment Trust Agreement dated January 1, 1982, between Itel Rail Corporation and First Security Bank of Utah, N.A., which was filed with the ICC on September 20, 1983, and given Recordation No. 14165.

The parties to the aforementioned instrument are listed below:

Itel Rail Corporation (Lessor)
55 Francisco Street
San Francisco, California 94133Iowa Interstate Railroad, Ltd. (Lessee)
818 Church Street
Evanston, Illinois

This Rider supercedes and replaces Rider A dated February 28, 1986, and Rider C dated July 1, 1987, in their entirety. The equipment covered by this Rider is one hundred (100) 89'4", 70-ton flatcars bearing reporting marks IAIS 902100-902124 and IAIS 902125-902199.

Please return to the undersigned the stamped counterparts not required for filing purposes, together with the fee receipt and ICC acknowledgment letter.

Very truly yours,

*patricia schumacker*Patricia Schumacker
Legal Department:ps
Enclosures

cc: Ginny Hanger

MOTOR OPERATOR ONLY

JUL 22 11 41 AM '87

THE SECRETARY
OF THE ICC

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

7/22/87

ITEL RAIL CORPORATION
55 SAN FRANCISCO STREET
SAN FRANCISCO, CALIFORNIA 94133

Dear

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 7/22/87 at 11:50 AM, and assigned recordation number(s). I4935-F

Sincerely yours,

Norita R. McGee
Secretary

Enclosure(s)

SE-30
(7/79)

THIS INSTRUMENT IS SUBJECT TO A SECURITY INTEREST IN FAVOR OF HELLER FINANCIAL, INC. UNDER THE HELLER FINANCIAL, INC. LOAN AND SECURITY AGREEMENT WITH ITEL RAIL CORPORATION DATED AS OF SEPTEMBER 30, 1986.

ASSIGNED TO FIRST SECURITY BANK OF UTAH, N.A., TRUSTEE, UNDER A LEASE ASSIGNMENT.

05/14/87

RECORDATION NO. 14935-F Filed 1429

JUL 22 1987 -11 AM

INTERSTATE COMMERCE COMMISSION

RIDER D
TO
MASTER LEASE NO. 1100 BETWEEN ITEL RAIL CORPORATION
AND IOWA INTERSTATE RAILROAD, LTD.

THIS RIDER D ("Rider D") to that certain Master Lease Agreement No. 1100, as amended, (the "Agreement") made as of February 28, 1986 between Itel Rail Corporation ("Lessor") and Iowa Interstate Railroad, Ltd. ("Lessee") is made this 1st day of July, 1987 between Lessor and Lessee.

The parties agree as follows:

1. All terms defined in the Agreement shall have the meanings defined therein when used in Rider D.
2. This Rider D supercedes and replaces Rider A dated February 28, 1986 to the Agreement and Rider C dated July 1, 1987 to the Agreement.
3. Lessor hereby leases the following Cars to Lessee subject to the terms and conditions of the Agreement and this Rider D:

A.A.R. Mech. Desig.	Description	Numbers	Length	Dimensions		Doors	No.
				Inside Width	Height	Width	of Cars
FC	70-Ton, dual 45' Flatcar, Plate B, cushion underframe	IAIS 902100- 902124	89'4"	9'	N/A	N/A	25

A.A.R. Mech. Desig.	Description	Numbers	Length	Dimensions		Doors	No.
				Inside Width	Height	Width	of Cars
FC	70-Ton Flatcar, Plate B, cushion underframe	IAIS 902125- 902199	89'4"	9'	N/A	N/A	75

4. A. The term of the Agreement shall commence with respect to each Car bearing reporting marks from within the series IAIS 902100-902124 at 12:00 noon on the date that this Rider D is executed by both parties and with respect to each Car bearing reporting marks from within the series IAIS 902125-902199 at 12:00 noon on the date and at the

location that such Car is remarked pursuant to Subsection 3.A. of the Agreement, and shall expire as to each Car listed on Rider D three (3) years from the date on which the first Car from within the series IAIS 902125-902199 is remarked (the "Term").

- B. Within eighteen (18) months after the date such Car became subject to the Agreement, Lessor shall, at its expense, modify each Car bearing reporting marks from within the series IAIS 902125-902199 to carry two (2) forty-five foot (45') trailers.

5. A new sentence is added to the end of Subsection 5.A. of the Agreement as follows:

"Lessee shall not place any Car into a private contract repair facility or have any Car repaired by a private contractor on Lessee's property, unless Lessee has received Lessor's prior consent and all repairs are performed at the direction and control of Lessor."

6. Lessee agrees to pay to Lessor the following rent for the use of the Cars listed on Rider D:

A. Definitions

- (i) "Eligible Lines" is defined as the railroad lines owned and operated by Lessee as of the commencement date of this Agreement. Unless otherwise agreed by Lessor and Lessee, any lines purchased by Lessee or added to the Eligible Lines during the Term are deemed to be the lines of another railroad company for the purposes of determining Revenues (as defined in Subsection 5.A.(iii) hereinbelow).
- (ii) "Per Diem Revenues" is defined as the total per diem revenues earned and collected or due for the use and handling of the Cars on all railroad lines other than the Eligible Lines, including, but not limited to per diem, computed at
per day, whether or not collected and received by Lessor and undiminished by any claimed abatement, reduction or offset caused by any action or failure of Lessee.
- (iii) "Mileage Revenues" is defined as the total mileage revenues earned and collected or due for the use and handling of the Cars on all railroad lines other than the Eligible Lines, including, but not limited to mileage, computed at
per mile, whether or not collected and received by Lessor and undiminished by any claimed abatement, reduction or offset caused by any action or failure by Lessee.
- (iv) The "Base Per Diem Rent" is defined as
per calendar quarter. Such amount represents the Per Diem Revenues which the Cars would have earned in the aggregate if the Cars had been on railroad lines other than Eligible

Lines for _____ of the hours that such Cars were subject to the Agreement during such calendar quarter. The Base Per Diem Rent for any Car which is not subject to the Agreement for an entire calendar quarter shall be prorated at _____ per day for such Car during such calendar quarter.

B. Lessor shall receive all Per Diem Revenues and Mileage Revenues earned by each Car prior to its Initial Loading. Each Car delivered pursuant to Subsection 3.A. of the Agreement shall become subject to the rental calculation under Subsection 5.C. hereinbelow upon the Initial Loading of such Car.

C. Lessee agrees to pay the following rent to Lessor for the use of the Cars:

(i) In the event Per Diem Revenues earned in any calendar quarter or applicable portion thereof are equal to or less than the Base Per Diem Rent, Lessor shall retain a sum equal to _____

(ii) In the event Per Diem Revenues earned in any calendar quarter or applicable portion thereof exceed the Base Per Diem Rent, Lessor shall retain an amount equal to _____

(iii) _____

D. (i) In the event that Lessor shall receive or earn for the use of any Cars, revenues calculated at hourly or mileage car hire rates that are lower in amount than those specified in Subsection 5.A (ii) and (iii) hereinabove, as a result of any action or inaction by Lessee, Lessee shall pay to Lessor, within ten (10) days of Lessor's request, an amount equal to the difference between the Per Diem Revenues and the Mileage Revenues such Cars would have earned for the same service and the amount of revenues actually received or earned for such Cars.

(ii) Upon any abatement, reduction or offset as described in Subsection 5.A. (iii) hereinabove, Lessee shall, within ten (10) days of Lessor's request, reimburse Lessor for such amounts.

(iii) If, at any time during the Agreement, Lessee operates lines other than the Eligible Lines, Lessee shall supply Lessor with records which distinguish the movement of each Car on the Eligible Lines from the movement of such Car on any other lines operated by Lessee.

E. The calculations required in Subsections 5.C. and 5.D. of this Rider D shall be made after the end of each calendar year ("Final Calculation"). However, in order for Lessor to meet its financial commitments, Lessee shall report to Lessor by the sixtieth (60th) day after each calendar month in which Per Diem or Mileage Revenues were actually earned ("Service Month"), the total hours earned, total miles travelled off Lessee's line, total miles travelled on Lessee's line and the dollar figure equal to one hundred percent (100%) of the earned Per Diem Revenues and Mileage Revenues. Lessee shall remit to Lessor all Per Diem Revenues and Mileage Revenues within twenty (20) days after Lessee receives such Per Diem Revenues and Mileage Revenues, provided, however, that Lessee pays to Lessor one hundred percent (100%) of the earned Per Diem Revenues and Mileage Revenues for each Service Month within one hundred twenty (120) days after such Service Month. In the event that any received Per Diem Revenues or Mileage Revenues are not remitted to Lessor by Lessee within twenty (20) days after Lessee receives such Per Diem Revenues or Mileage Revenues ("Late Revenues"), Lessee shall pay to Lessor an additional amount ("Late Fee") equal to ten percent (10%) of the Late Revenues. If the car hire records relating to the Cars are maintained by a party other than Lessee, Lessee hereby grants Lessor the authority to inspect such records during such party's normal business hours, provided, however, that Lessor shall notify Lessee at least ten (10) days before such inspection occurs.

F. If, with respect to any calendar quarter or quarters, Per Diem Revenues received by Lessor are less than :

of the Base Per Diem Rent ("Minimum Amount"), Lessor may, at any time, at its option and upon not less than ten (10) days prior written notice to Lessee, terminate this Agreement as to such Cars as Lessor shall determine; provided, however, that Lessee may, at its option, within ten (10) days of receipt of such notice from Lessor, void such termination notice by paying to Lessor for such calendar quarter or quarters and for each subsequent calendar quarter in which Per Diem Revenues are less than the Minimum Amount, an amount equal to the difference between actual Per Diem Revenues for such calendar quarter or quarters and the Minimum Amount. If Lessee has voided any termination notice and is complying with the terms of this Subsection 5.F. and of the Agreement, Subsection 5.C.(ii) hereinabove shall be replaced by the following:

"(ii) In the event Per Diem Revenues earned in any calendar quarter or applicable portion thereof exceed the Minimum Amount (as defined in Subsection 5.F. hereinbelow), Lessor shall retain an amount equal to the Minimum Amount and Lessee shall receive all Per Diem Revenues received in excess of the Minimum Amount."

7. A. Upon the expiration of the Agreement with respect to any Car, Lessee shall promptly return such Car to Lessor as follows:

(i) If some or all of the Cars are to be delivered to Lessor at Lessee's railroad tracks, Lessee shall be responsible for any transportation costs incurred in moving such Cars to the

Lessee's railroad tracks subsequent to the time of expiration. Lessee shall, at Lessor's option, provide, with respect to any Car described on any Rider D which is either on the Lessee's railroad tracks at the time of expiration or is subsequently returned to Lessee's railroad tracks, up to one hundred twenty (120) days free storage on its railroad tracks from either the date of expiration or the date the last Car on Rider D is returned to Lessee's railroad line subsequent to the time of expiration, whichever date is later.

(ii) At the option of Lessor, either Lessee or a contractor mutually chosen by Lessor and Lessee shall, at Lessee's expense, remark the Cars as set forth in Subsection 10.C. of the Agreement. Lessee shall not remove Lessee's railroad marks from any Car without the prior written consent of Lessor. After remarking, Lessee shall load each Car with freight and deliver such Car to a connecting carrier for shipment.

(iii) If some or all of the Cars are to be delivered to Lessor at a location other than Lessee's tracks, the cost of assembling, delivering, storing, and transporting each Car to such location shall be borne by Lessor. Lessee shall bear the expense of remarking such Cars.

B. Remarking, with respect to each Car, shall include the following: a) removal of existing mandatory markings of Lessee; b) complete cleaning subsequent to the removal of markings as designated by Lessor; c) application of new mandatory markings; and d) any transportation involved in moving each Car to and from a suitable work area to perform the remarking set forth in this Section.

8. Except as expressly modified by this Rider D, all terms and provisions of the Agreement shall remain in full force and effect.

9. This Rider D may be executed by the parties hereto in any number of counterparts and all said counterparts taken together shall be deemed to constitute one and the same instrument.

ITEL RAIL CORPORATION

By: *JD Hayes*

Title: *President*

Date: *July 1, 1987*

IOWA INTERSTATE RAILROAD, LTD.

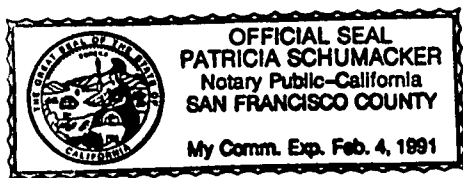
By: *Paul B. Bann*

Title: *GEO*

Date: *6/12/87*

STATE OF CALIFORNIA)
) ss:
COUNTY OF SAN FRANCISCO)

On this 1st day of July, 1987, before me personally appeared Desmond P. Hayes, to me personally known, who being by me duly sworn says that such person is President of Itel Rail Corporation, that the foregoing Rider D was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Patricia Schumacker
Notary Public

STATE OF Illinois)
) ss:
COUNTY OF Cook)

On this 12th day of June, 1987, before me personally appeared Paul H. Barker, to me personally known, who being by me duly sworn says that such person is CEO of Iowa Interstate Railroad, Ltd., that the foregoing Rider D was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Charlotte Schorta
Notary Public

My Commission Expires October 10, 1988